GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:495
ANSWERED ON:25.11.2005
PERFORMANCE OF PUBLIC SECTOR BANKS
Dome Dr. Ram Chandra

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has worked upon a plan to review the performance of public,sector banks ;

(b) if so, by when and the outcome thereof; and

(c) the steps being taken to make banking more customer friendly ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) & (b) The Public Sector Banks have submitted to the Govt. a `Statement of Intent on Annual Goals` for the financial year 2005-06 indicating quantitative and. qualitative targets on various performance parameters viz. Capital to Risk Weighted Asset Ratio (CRAR), Earning per share, Growth in business, Priority Sector Lending, NPAs, Profitability, Improvement in risk management practices, Use of technology, Special efforts in reaching out to the under-privileged etc. The Statements of Intent on Annual Goals submitted by the PSBs are reviewed on an ongoing basis. Wherever the progress is found to be lagging behind as compared to the Annual Goals, the banks are advised to take effective steps to ensure achievement of the target.

(c) A number of steps have been taken to make banking more customer friendly viz. introduction of Core Banking Solutions (CBS), installation of ATMs, enhanced working hours, simplification of procedure and forms, IBA guidelines on Fair Practice Code, RBI guidelines on credit card operations etc.